LINDEN HOUSE NURSING HOME

# Finding your way through the financial maze of care home fees

There are many ways in which residents can be funded at a nursing home. Depending on their individual circumstances they may self-fund their fees from their assets, be funded by the NHS or by the local authority or be funded by more than one source.

## SELF FUNDING:

If you have assets (including property) worth more than £23,250 (2019/20) you will have to pay your own care home fees. If you are assessed as needing, and being in receipt of, nursing care the local Clinical Commissioning Group (CCG) will pay £165.56 per week (2019/20) towards your fees with what is known as the funded nursing care element (FNC). The balance will be paid by you until your assets reach the threshold of £23,250. When this happens the county council will step in and pay a proportion of the fees. If you meet certain criteria the CCG might also pay the majority, or all, of your fees. Our current fees start at £1,100 per week. This includes the FNC.

It is a local authority requirement that we ask you for evidence that you have sufficient funds to pay for your room at Linden House for 2 years and we may ask for a guarantor

There are various ways of making your assets work for you to help you pay for the fees. We cannot give you advice because we are not regulated by the Financial Conduct Authority but there are many specialist advisers who can give you advice. If you are self funding your care, then you should apply for Attendance Allowance from the DWP. We can usually assist you to do this for a small fee.

To self fund your stay you could:

* Use your savings
* Rent out your house
* Take an immediate annuity
* Use your investment income
* Undertake an equity release scheme if you own your house
* Apply to the local authority for a deferred payment agreement

## MOVING TO LOCAL AUTHORITY FUNDING:

Once you have assets (including property) worth less than £23,250 you should be eligible for help with the fees from the local authority. If you move into the home funding the cost of your care yourself and your assets start to decrease then you will need to apply to your local authority for a financial assessment so that they can establish whether or not you are eligible for their financial support with the fees. The most important thing to remember is to talk to the local authority and to the care home as early as possible when assets start to become depleted. It can take several months for the local authority to arrange to take over payments and obviously the care home expects the fees to be met during this time. This may mean that the fees have to be met from the £23,250 until the local authority takes over. At this time they will usually back date their funding arrangements and you will be reimbursed.

Be aware, however, that even if the local authority get involved they will not pay all the fees. Many people misunderstand how the fees are paid and assume that the resident keeps their income while the county council pays the fees. This is not the case.

The financial assessment that the local authority team undertakes establishes the current income of the resident (x), deducts an amount specified each year by law (y - the personal expenses allowance ie £24.90 per week in 2019/20) and establishes that the resident must pay x-y towards the fees and the local authority will pay the balance up to their published fees. This causes an issue because the local authority fees are rarely realistic and this means that there may well be a shortfall that has to be met if the resident wishes to either enter or stay at the care home of their choice. If a resident is eligible for the funded nursing care (FNC) element, this is included in the calculations and the FNC is not passed on to the resident.

Example:

* the local authority published fees are £528.97 per week (this does not include FNC)
* the care home fees are £1100.00 per week,
* the resident’s assessed income is £200.00 per week,
* the resident has been assessed as being eligible for FNC of £165.56

This would mean that the local authority would expect the resident to pay £200.00 – £24.90 = £175.10 per week towards the fees

The local authority would pay £528.97 - £175.10 = £353.87

The CCG would pay the care home £165.56 per week for FNC

The care home would receive £694.53 overall. This leaves a shortfall of £405.47 per week of the £1,100.00 per week fees which has to be met by a third party

## LOCAL AUTHORITY FROM ADMISSION:

We understand that not everyone can afford the usual, and realistic, fees charged by our care home and have one room which is subsidised by us into which we can admit a resident on local authority rates. If the room is available, then the resident only pays what the financial assessment team at the local authority has assessed they are able to pay. In the example above, it would be £175.10 per week. Obviously, if this room is already taken then our normal fees would be payable for any other room and the balance of the fees will need to be paid by a third party. Anyone funded by the local authority are entitled to a personal expenses allowance. This is an amount set by the government every year. It currently (2019/20) stands at £24.90 per week and must be made available to the resident to spend.

## NHS FUNDED FROM ADMISSION

Some people qualify to be funded by the NHS under Continuing Healthcare funding (CHC). This is where they meet certain criteria which identifies that they have “a primary health need”. In Somerset there are really only two levels of fees depending on assessed needs. Different criteria are applied in different areas of the country and some people may qualify with a long term health need while others only qualify for short periods ie when nearing the end of their life or during a certain stage in their dementia journey. We have one room where we accept people funded by the NHS in this way. Currently, the two levels of fees are £763.14 per week and £923.23 per week. If this room is already taken then our normal fees would be payable for any other room and the balance of the fees will need to be paid by a third party. The CCG undertakes regular re-assessments to ensure that residents remain eligible for the CHC funding. It is not unknown for the funding to be removed. In this situation, in order for a resident to remain at Linden House alternative sources of funding will need to be used to meet the fees ie self-funding or partial funding from the local authority.

The funding arrangements of moving into care can be a very complicated area and understandably can cause unnecessary stress for you. Please come and talk to either Kevin Dunn (Manager), Anne Troake (Administrator) or Sandra Joyce (Proprietor) at any time and we will try to help you in any way that we can.

You can contact the Somerset County Council Financial Assessment Team via Somerset Direct on 0300 123 2224